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January 6, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

**RECOMMENDATION TO APPROVE AN INCREASE TO THE  
LOS ANGELES COUNTY PUBLIC AUTHORITY HOURLY RATE  
(ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

The Department of Public Social Services (DPSS) plans to request State approval of an increase of \$0.06 in the Public Authority (PA) hourly rate for health benefits from \$0.92 to \$0.98 per hour worked. There is no net County cost impact.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve an increase to the PA hourly rate for Los Angeles County from \$11.59 to \$11.65. The new PA hourly rate will increase the maximum health benefits cost per hour for the State's participation from \$0.92 per hour to \$0.98. The PA hourly rate also includes IHSS provider wages of \$9.65, payroll taxes of \$0.97 and PA operation costs of \$0.05 per hour, which will not change. The increased hourly cost for health benefits is needed to continue supporting the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU) Homecare Workers Health Care Plan for eligible IHSS providers due to an enrollment increase in the health care plan. Upon the approval of the Board, DPSS will submit a formal request to the State for the increased cost for health benefits.
2. Delegate authority to the Director of DPSS, or designee, to make any necessary changes to the PASC agreement in order to implement the new State health benefits hourly cost.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The increase in the health benefits PA rate is needed to ensure full State participation in the PASC-SEIU Home Care Workers Health Care Plan. The increase in cost is due to an enrollment increase in the health care plan. Welfare and Institutions Code Section 12306.1 requires that each County obtain approval of the new PA hourly rate from the Board of Supervisors, including any funding to cover the County's and State's share of wages and related benefits, before an increase can be processed. The PA hourly rate increase will not take effect until CDHCS has approved the increase. The Department anticipates that the State will approve the hourly health benefits cost increase because Los Angeles County is well within the current maximum for State participation in wages and benefits.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal #1: Operational Effectiveness/Fiscal Sustainability - maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact to the County. There is no increase to the net County cost because there is no county share of the increase.

Currently, State financial participation permits the Counties to have a maximum combined wage and health benefits hourly cost up to \$12.10 (not including administrative costs and payroll taxes). Counties have the option to decide how much of the \$12.10 to use for wages and how much to use for health benefits. Los Angeles County currently has approval to use \$9.65 for wages and \$0.92 for health benefits, well within the State maximum hourly cost of \$12.10. The current request would increase the health benefit cost from \$0.92 per hour to \$0.98 per hour and maintain the wage at \$9.65 per hour, still well within the State's \$12.10 maximum combined wages and health benefit costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On September 14, 1999, Los Angeles County entered into Agreement (Number 72426) with the PASC pursuant to Los Angeles County Code 3.45.130 to specify the purpose, scope and nature of the agreement, the roles and responsibilities of each party including provisions which ensure compliance with all applicable State and federal labor laws, and compliance with all statutory and regulatory provisions applicable to the

delivery of IHSS. On January 8, 2002, Amendment Number 2 was approved to add general contract provisions and change the PASC's reimbursement methods as well as The Honorable Board of Supervisors  
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increase funding for their administrative cost associated with the Health Care Plan. On July 1, 2014, Amendment Number 27 was approved, increasing the IHSS provider's hourly wage from \$8.50 to \$9.65 per hour. The current proposal does not change the hourly wage paid to IHSS providers.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is anticipated that the IHSS Provider Enrollment will increase in FY 2014-15 by approximately 13.7 percent. The recommended action will ensure full State participation to support the PASC-SEIU Homecare Workers Health Care Plan and meet the needs of its growing enrollment of eligible providers.

### **CONCLUSION**

Upon approval and execution, the Acting Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to DPSS.

Respectfully submitted,



SHERYL L. SPILLER  
Director

SLS:cg

c: Interim Chief Executive Officer  
County Counsel  
Acting Executive Officer, Board of Supervisors  
Deputy Chief Executive Officer